

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

Annual Financial Statements

JUNE 30, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/2/11

CATAHOULA PARISH SHERIFF
Table of Contents
June 30, 2010

	SCHEDULE No.	PAGE No.
Independent Auditor's Report.....		1-2
Management's Discussion and Analysis.....		3-6
Basic Financial Statements		
Statement of Net Assets.....	A	8
Statement of Activities.....	B	9
Balance Sheet, Governmental Funds.....	C	10
Reconciliation of the Government Funds Balance Sheet to the Government- Wide Financial Statement of Net Assets.....	D	11
Statement of Revenues, Expenditures, and Changes in Fund Balances -- Governmental Funds.....	E	12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	F	13
Statement of Fiduciary Net Assets.....	G	14
Notes to the Basic Financial Statements.....		15-30
Required Supplemental Information		
Schedule of Revenues, Expenditures, and Changes in Fund Balance- Budget (GAAP Basis) and Actual.....	1	32
Other Supplemental Information and Reports		
Report on Compliance and On Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....		34-35
Schedule of Findings and Questioned Costs.....		36-37
Management Letter Comments.....		38
Management's Summary of Prior Year Findings.....		39

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INDEPENDENT AUDITOR'S REPORT

Honorable James G Kelly, Sheriff
Catahoula Parish Sheriff
Harrisonburg, Louisiana

We have audited the accompanying basic financial statements of the governmental activities and the aggregate remaining fund information of the Catahoula Parish Sheriff as of and for the year ended June 30, 2010 which collectively comprise the Catahoula Parish Sheriff, Harrisonburg, Louisiana, basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Catahoula Parish Sheriff's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the aggregate remaining fund information of the Catahoula Parish Sheriff as of June 30, 2010 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9 2010, on our consideration of the Catahoula Parish Sheriff's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

John R. Vercher PC

December 9, 2010

Jena, Louisiana

CATAHOULA PARISH SHERIFF

James G Kelly-Sheriff

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Sheriff's Department, we offer readers of the Catahoula Parish Sheriff's financial statements this narrative overview and analysis of the financial activities of the Sheriff's Department for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with the Sheriff's Department's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Governmental Funds

- The assets of the Sheriff's Department exceeded its liabilities at the close of the most recent fiscal year by \$775,939 (*net assets*). This is a \$221,025 decrease from last year.
- The Sheriff's Department had total revenue of \$7,445,729, in which \$5,176,727 came from reimbursement revenue sources. This is a \$1,845,390 increase from last year's revenues, mainly due to an increase of \$1,587,914 in reimbursement revenues.
- The Sheriff's Department had total expenditures of \$7,344,232. This is a \$1,709,204 increase from last year, mainly due to an increase in prisoner expense in the amount of \$978,872.

MD&A

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Sheriff's Department's basic financial statements. The Sheriff's Department's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Sheriff is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

Effective, January 1, 2004, the Sheriff adopted Governmental Accounting Standards (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Sheriff's Department, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

USING THIS ANNUAL REPORT

The Sheriff's Department's annual report consists of financial statements that show information about the Sheriff's Department's funds, the governmental fund.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

Reporting the Sheriff's Department's Most Significant Funds

The Sheriff's Department's financial statements provide detailed information about the most significant funds. The Sheriff's Department may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money.

MD&A

Comparative Statement of Net Assets Governmental Funds

The following table represents a condensed Comparative Statement of Net Assets as of June 30, 2010:

	<u>2009</u>	<u>2010</u>	<u>% Change</u>
Assets			
Cash & Investments	\$ 637,793	\$ 630,998	-1.1%
Receivables	421,542	617,363	46.5%
Capital Assets, Net of Accumulated Depreciation	387,229	379,059	-2.1%
Total Assets	<u>1,446,564</u>	<u>1,627,420</u>	12.5%
Liabilities & Net Assets			
Accounts, Salaries, & Other Payables	449,600	537,129	19.5%
OPEB Liability	-0-	314,352	100.0%
Total Liabilities	<u>449,600</u>	<u>851,481</u>	89.4%
Net Assets			
Invested in Capital Assets, Net of Related Debt	387,229	379,059	-2.1%
Unrestricted	609,735	396,880	-34.9%
Total Net Assets	<u>\$ 996,964</u>	<u>\$ 775,939</u>	-22.2%

Comparative Changes in Fund Balances Governmental Funds

The following table reflects the condensed Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances for the year ended June 30, 2010:

	<u>2009</u>	<u>2010</u>	<u>% Change</u>
Beginning Fund Balances	\$ 644,424	\$ 609,735	-5.4%
Total Revenues	5,200,339	7,020,674	35.0%
Total Expenditures	(5,635,028)	(7,344,232)	30.3%
Total Other Financing Sources (Uses)	400,000	425,055	6.3%
Increase (Decrease) in Fund Balances	<u>(34,689)</u>	<u>101,497</u>	392.6%
Ending Fund Balances	<u>\$ 609,735</u>	<u>\$ 711,232</u>	16.6%

MD&A

CAPITAL ASSETS

Capital Assets – Governmental Fund

At June 30, 2010, the Sheriff's Department had \$379,059 invested in capital assets, including furniture and equipment.

	Capital Assets At Year-End	
	2009	2010
Equipment	\$ 863,940	\$ 942,504
Accumulated Depreciation	(476,711)	(563,445)
Total Net Assets	\$ 387,229	\$ 379,059

CONTACTING THE SHERIFF'S DEPARTMENT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Sheriff's Department's finances and to show that the Sheriff's Department's accountability for the money it receives. If you have questions about this report or need additional information, contact George Tosspon, Chief Civil Deputy at the Sheriff's Department, phone number (318)744-5411.

Basic Financial Statements

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Statement of Net Assets
June 30, 2010**

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash	\$ 219,783
Investments	411,215
Receivables	106,899
Due From Other Governments	510,464
Capital Assets (Net of Accumulated Depreciation)	379,059
TOTAL ASSETS	<u>1,627,420</u>
LIABILITIES	
Accounts, Salaries, & Other Payables	537,129
OPEB Liability	314,352
TOTAL LIABILITIES	<u>851,481</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	379,059
Restricted For Debt Service	-0-
Unrestricted	396,880
TOTAL NET ASSETS	<u>\$ 775,939</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Statement of Activities
For the Year Ended June 30, 2010**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenues & Changes in Net Assets</u>
		<u>Fees, Fines, & Charges for Services</u>	<u>Capital Grants & Contributions</u>	<u>Governmental Activities</u>
Governmental Activities				
Public Safety	\$ (7,233,544)	\$ 266,720	\$ 254,996	\$ (6,711,828)
Interest on Short-Term Debt	(8,155)	-0-	-0-	(8,155)
Total Governmental Activities	\$ (7,241,699)	\$ 266,720	\$ 254,996	(6,719,983)
General Revenues				
				995,309
Taxes				288,458
Intergovernmental				5,176,727
Reimbursement				26,717
Insurance Proceeds				11,747
Miscellaneous				<u>6,498,958</u>
Total General Revenues				
Change in Net Assets				(221,025)
Net Assets - Beginning				996,964
Net Assets - Ending				\$ <u>775,939</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Balance Sheet, Governmental Funds
June 30, 2010**

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE PRISON</u>	<u>TOTAL</u>
ASSETS			
Cash	\$ 94,893	\$ 124,890	\$ 219,783
Investments	-0-	411,215	411,215
Receivables	106,899	-0-	106,899
Due From Other Governments	21,378	489,086	510,464
TOTAL ASSETS	<u>223,170</u>	<u>1,025,191</u>	<u>1,248,361</u>
LIABILITIES			
Accounts, Salaries, and Other Payables	48,043	489,086	537,129
TOTAL LIABILITIES	<u>48,043</u>	<u>489,086</u>	<u>537,129</u>
FUND BALANCE			
Unreserved, Unassigned	175,127	536,105	711,232
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 223,170</u>	<u>\$ 1,025,191</u>	<u>\$ 1,248,361</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Reconciliation of The Government Funds Balance Sheet
to the Government-Wide Financial Statement of Net Assets
June 30, 2010**

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Fund Balance, Total Governmental Funds (Statement C)	\$ 711,232
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

	Capital Assets	942,504	
	Less Depreciation	<u>(563,445)</u>	
			379,059

Long-term liabilities including bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.

	Other	-0-	
	OPEB Liability	<u>(314,352)</u>	
			<u>(314,352)</u>

Net Assets of Governmental Activities (Statement A)	\$ <u>775,939</u>
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The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Statement of Revenues, Expenditures &
Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2010**

	GENERAL	SPECIAL REVENUE PRISON	TOTALS
REVENUES			
Fees & Charges	\$ 231,020	\$ -0-	\$ 231,020
Taxes	995,309	-0-	995,309
Fines	35,700	-0-	35,700
Intergovernmental	288,458	-0-	288,458
Reimbursement	16,329	5,160,398	5,176,727
Grants	254,996	-0-	254,996
Insurance Proceeds	26,717	-0-	26,717
Miscellaneous	3,632	8,115	11,747
TOTAL REVENUES	<u>1,852,161</u>	<u>5,168,513</u>	<u>7,020,674</u>
EXPENDITURES			
Administration	1,557,164	2,186,405	3,743,569
Prisoner Expense	31,689	2,973,993	3,005,682
Repairs & Maintenance	39,764	-0-	39,764
Debt Service	433,210	-0-	433,210
Capital Outlay	106,465	-0-	106,465
Other Expenditures	15,542	-0-	15,542
TOTAL EXPENDITURES	<u>2,183,834</u>	<u>5,160,398</u>	<u>7,344,232</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(331,673)</u>	<u>8,115</u>	<u>(323,558)</u>
OTHER FINANCING SOURCES (USES)			
Loans	425,055	-0-	425,055
TOTAL OTHER FINANCING SOURCES (USES)	<u>425,055</u>	<u>-0-</u>	<u>425,055</u>
TRANSFERS	<u>31,812</u>	<u>(31,812)</u>	<u>-0-</u>
NET CHANGE IN FUND BALANCE	125,194	(23,697)	101,497
FUND BALANCES--BEGINNING	49,933	559,802	609,735
FUND BALANCES--ENDING	<u>\$ 175,127</u>	<u>\$ 536,105</u>	<u>\$ 711,232</u>

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Reconciliation of The Statement of Revenues, Expenditures,
& Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended June 30, 2010**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances, Total governmental Funds, Statement E \$ 101,497

Governmental funds report capital outlays as expenditure. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Deletion of Asset	(24,247)	
Capital Outlays	106,465	
Depreciation Expense	<u>(90,388)</u>	
		(8,170)

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs premiums, discounts, and similar items when debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Loan Proceeds	425,055	
Principle Paid	(425,055)	
OPEB Liability	<u>(314,352)</u>	
		(314,352)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

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Changes in Net Assets of Governmental Activities, statement B \$ (221,025)

The accompanying notes are an integral part of this statement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Statement of Fiduciary Net Assets
June 30, 2010**

	<u>CIVIL FUND</u>	<u>TAX COLLECTION FUND</u>	<u>BOND FUND</u>	<u>TOTAL</u>
ASSETS				
Cash & Cash Equivalents	\$ 32,277	\$ 19,517	\$ 95,961	\$ 147,755
Investments	-0-	115,127	-0-	115,127
Accounts Receivable	40,000	-0-	15,403	55,403
TOTAL ASSETS	<u>72,277</u>	<u>134,644</u>	<u>111,364</u>	<u>318,285</u>
LIABILITIES				
Held for Others Pending Court Action	72,277	-0-	111,364	183,641
Held for Taxing Bodies	-0-	134,644	-0-	134,644
TOTAL LIABILITIES	<u>72,277</u>	<u>134,644</u>	<u>111,364</u>	<u>318,285</u>
NET ASSETS	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

The accompanying notes are an integral part of this statement.

**Notes To The Basic
Financial Statements**

CATAHOULA PARISH SHERIFF HARRISONBURG, LOUISIANA

NOTES TO THE BASIC FINANCIAL STATEMENTS

INTRODUCTION

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the Sheriff serves a four-year term as the chief executive officer of the law enforcement district and ex-officio tax collector of the parish. The Sheriff administers the parish jail system and exercises duties required by the parish court system, such as providing bailiffs, executing orders of the court, and serving subpoenas.

As the chief law enforcement officer of the parish, the Sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the parish. The Sheriff provides protection to the residents of the parish through on-site patrols and investigations and serves the residents of the parish through the establishment of neighborhood watch programs, anti-drug abuse programs, et cetera. In addition, when requested, the Sheriff provides assistance to other law enforcement agencies within the parish.

As the ex-officio tax collector of the parish, the Sheriff is responsible for collecting and distributing ad valorem property taxes, parish occupational licenses, state revenue sharing funds, sporting licenses, and fines, costs, and bond forfeitures imposed by the district court.

The Sheriff also has a cooperative endeavor agreement with the State of Louisiana to operate a prison.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The Sheriff is an independently elected official; however, the sheriff is fiscally dependent on the Catahoula Parish Police Jury. The police jury maintains and operates the parish courthouse in which the sheriff's office is located and provides funds for equipment and furniture of the sheriff's office. Because the sheriff is fiscally dependent on the police jury, the Sheriff was determined to be a component unit of the Catahoula Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the sheriff and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. BASIS OF PRESENTATION

The accompanying basic financial statements of the Catahoula Parish Sheriff have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, issued in June 1999.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Sheriff as a whole. They include all funds of the reporting entity, which are considered to be governmental activities. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The Statement of Activities presents a comparison between direct expenses and program revenues for each of the functions of the Sheriff's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of services offered by the Sheriff, and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into two categories: governmental and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Sheriff or its total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds.

The Sheriff reports the following major governmental funds:

The *General Fund* is the primary operating fund of the Sheriff. It accounts for all financial resources except those that are required to be accounted for in other funds.

The *Special Revenue Funds* account for the revenues and expenditures of the operations of the facilities that house the prison population.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Additionally, the Sheriff reports the following fund types:

Fiduciary Funds

Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the Sheriff are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds are custodial in nature (asset equal liabilities) and do not involve measurement of results of operation. Consequently, the agency funds have no measurement focus, and use the accrual basis of accounting, which is in accordance with accounting principals generally accepted in the United States.

C. BASIS OF ACCOUNTING

Fund Financial Statements (FFS)

The amounts reflected in the General Fund and Other Funds, of Statements A and B, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of sheriff operations.

The amounts reflected in the General Fund and Other Funds, of Statements A and B, use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The sheriff considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes and commissions earned from the related state revenue sharing (which is based on population and homesteads in the parish) are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on September 15 of each year, and become delinquent on December 31. The taxes are generally collected in December, January, and February of the fiscal year.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Intergovernmental revenues are recorded when the Sheriff is entitled to the funds.

Interest income on time deposits is recorded when the time deposits have matured and the income is available. Available means collectible within the current period or soon enough thereafter to pay current liabilities.

Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when their related fund liability is incurred.

Other Financing Sources (Uses)

Proceeds from the sale of fixed assets are recognized when received. Fixed assets acquired through capital leases are recorded as expenditures and other financing sources at the time of acquisition.

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses).

Government-Wide Financial Statements (GWFS)

The column labeled Statement of Net Assets (Statement A) and the column labeled Statement of Activities (Statement B) display information about the sheriff as a whole. These statements include all the financial activities of the sheriff. Information contained in these columns reflect the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

Program Revenues

Program revenues included in the column labeled Statement of Activities (Statement B) are derived directly from sheriff users as a fee for services; program revenues reduce the cost of the function to be financed from the sheriff's general revenues.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Reconciliation

The reconciliation of the items reflected in the funds columns to the Statement of Activities (Statement B) and Statement of Net Assets (Statement A) are as follows:

Capital Assets	\$ 379,059
Capital Outlay	106,465
Depreciation	90,388
OPEB Liability	\$ 314,352

D. BUDGET PRACTICES

The proposed budget for 2010 was made available for public inspection in June 2009. The proposed budget, prepared on the modified accrual basis of accounting, was published in the official journal 30 days prior to the public hearing, which was held at the Catahoula Parish Sheriff in June 2009, for comments from taxpayers. The budget is legally adopted and amended, as necessary, by the Sheriff. The budget was amended for the year ended June 30, 2010.

All expenditure appropriations lapse at year end. Unexpended appropriations and any excess of revenues over expenditures are carried forward to the subsequent year as beginning fund balance and budgeted as a revenue item.

Neither encumbrance accounting nor formal integration of the budget into the accounting records is employed as a management control device. However, periodic comparisons of budget and actual amounts are made.

E. CASH & CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the sheriff may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

F. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the sheriff's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

G. CAPITAL ASSETS

Capital assets are capitalized at historical cost.

Capital assets are recorded in the Statement of Net Assets and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Furniture and fixtures	7-10 Years
Vehicles	7-10 Years

H. FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Any designations of fund balance represent tentative management plans that are subject to change.

I. EXTRAORDINARY & SPECIAL ITEMS

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the sheriff, which are either unusual in nature or infrequent in occurrence.

J. INTERFUND TRANSACTIONS

Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions are reported as transfers.

K. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

(2) AD VALOREM TAXES

The Sheriff levies taxes on real and business personal property located within its boundaries. The Sheriff utilizes the services of the Catahoula Parish Tax Assessor to assess the property values and prepare the Sheriff's property tax roll. The Sheriff bills and collects its own property taxes.

Property Tax Calendar	
Assessment Date	January 1
Levy Date	No Later Than June 1
Tax Bills Mailed	On Or About October 15
Total Taxes Are Due	December 31
Penalties And Interest Are Added	January 1
Lien Date	January 1

The following is a summary of authorized and levied ad valorem taxes:

	Authorized Millage	Levied Millage	Expiration Date
Law Enforcement	27.69	27.69	N/A

(3) CASH & INVESTMENTS - (CERTIFICATES OF DEPOSIT IN EXCESS OF 90 DAYS)

Deposits

It is the Sheriff's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Sheriff's deposits are categorized to give an indication of the level of risk assumed by the Sheriff at year end. The categories are describes as follows:

- **Category 1** – Insured or collateralized with securities held by the Sheriff or by its agent in the Sheriff's name.
- **Category 2** – Collateralized with securities held by the pledging financial institution's trust department or agent in the Sheriff's name.
- **Category 3** – Uncollateralized.

	Southern Heritage	Catahoula LaSalle	Total
Bank Balances	\$ 33,843	\$ 870,262	\$ 904,105
Secured As Follows			
FDIC (Category 1)	33,843	500,000	533,843
Securities (Category 2)	-0-	2,016,250	2,016,250
Total	\$ 33,843	\$ 2,516,250	\$ 2,550,093

All deposits were fully secured as of June 30, 2010.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

(4) RECEIVABLES

The receivables of \$617,363 at June 30, 2010, are as follows:

<u>Class of Receivables</u>	<u>General Fund</u>	<u>Prison Fund</u>	<u>Total</u>
Accounts Receivable	\$ 106,899	\$ -0-	\$ 106,899
Intergovernmental	21,378	489,086	510,464
Total	\$ 128,277	\$ 489,086	\$ 617,363

Allowance for doubtful accounts is considered not material and is not presented.

(5) CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended June 30, 2010, is as follows:

<u>Governmental Activities</u>	<u>Balance 07/01/09</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/10</u>
General Fund Capital Assets	\$ 747,988	\$ 106,464	\$ (27,900)	\$ 826,552
Correctional Center Capital Assets	115,952	-0-	-0-	115,952
Total Fixed Assets	863,940	106,464	(27,900)	942,504
General Fund	(371,901)	(88,021)	3,654	(456,268)
Correctional Center	(104,810)	(2,367)	-0-	(107,177)
Total Accumulated Depreciation	(476,711)	(90,388)	3,654	(563,445)
Capital Assets, Net	\$ 387,229	\$ 16,076	\$ (24,246)	\$ 379,059

(6) PENSION PLAN

Plan Description. Substantially all employees of the Catahoula Parish Sheriff are members of the Louisiana Sheriff's Pension and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All Sheriffs and all deputies who are found to be physically fit, who can earn at least \$400 per month, and who were between the ages of 18 and 50 at the time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final-average salary for each year of credited service. The percentage factor to be used for each year of service is 2.5 per cent for each year if total service is at least 12 but less than 15 years, 2.75 per cent for each year if total service is at least 15 but less than 20 years, and 3 per cent for each year if total service is at least 20 years (Act 1117 of 1995 increased the accrual rate by 0.25 percent for all services rendered on or after January 1, 1980). In any case, the retirement benefit cannot exceed 100 per cent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination as indicated previously. Employees who terminated with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Sheriffs Pension and Relief Fund, Post Office Box 3163, Monroe, Louisiana 71220, or by calling (318) 362-3191.

Funding Policy. Plan members are required by state statute to contribute 10% of their annual covered salary and the Catahoula Parish Sheriff is required to contribute at an actuarially determined rate. The current rate is 11% of annual covered payroll. Contributions to the System also include one-half of one percent of the taxes shown to be collectible by the tax rolls of each parish and funds are required and available from insurance premium taxes. The contribution requirements of plan members and the Catahoula Parish Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Catahoula Parish Sheriff's contributions to the System for the year ending June 30, 2010 was \$98,527, equal to the required contributions for the year.

**(7) NET OTHER POSTEMPLOYMENT BENEFIT (OPEB) OBLIGATION (ASSET) FOR THE
YEAR ENDED JUNE 30, 2010**

Post-employment benefits

Plan Description. The Catahoula Parish Sheriff's Office's medical and life insurance benefits are provided to employees upon actual retirement.

The employer pays 100% of the medical coverage for the retiree (not dependents). See the sections below for details on Life Insurance and dental benefits. Employees are covered by a retirement system whose retirement eligibility (D.R.O.P. entry) provisions as follows: 30 years of service at any age or, age 55 and 15 years of service. See the section below entitled "Expected Time of Commencement of Benefits" for the assumption as to time of actual retirement.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

Life insurance coverage is continued to retirees by election and the blended rate for active employees and retirees is \$0.348 per \$1,000 of insurance. The employer pays for the first \$10,000 of life insurance after retirement for the retiree and the retirees pay for the volume in excess of \$10,000. However, both the employer and retiree rates are based on the blended active/retired rate and there is thus an implied subsidy. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. Insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance.

Dental insurance coverage is provided to retirees. The employer pays 100% of the cost of the dental insurance for the retirees but not for dependents. We have used the unblended rates provided. All of the assumptions used for the valuation of the medical benefits have been used for dental insurance except for the trend assumption; zero trend was used for dental insurance.

Contribution Rates. Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

Fund Policy. Until 2009, the Catahoula Parish Sheriff's Office recognized the cost of providing post-employment medical and life benefits (Catahoula Parish Sheriff's Office's portion of the retiree medical and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2009/2010, Catahoula Parish Sheriff's Office's portion of health care funding cost for retired employees totaled \$52,771, and the life insurance totaled \$4,149.

Effective with the Fiscal Year beginning July 1, 2009, Catahoula Parish Sheriff's Office implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45).

Annual Required Contribution. Catahoula Parish Sheriff's Office's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The Annual Required Contribution (ARC) is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for the fiscal year beginning July 1, 2009 is \$325,263 for medical/dental, and \$46,009 for life, as set forth below:

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

	Medical/Dental	Life
Normal Cost	\$ 194,423	\$ 26,135
30-year UAL amortization amount	130,840	19,874
Annual required contribution (ARC)	\$ <u>325,263</u>	\$ <u>46,009</u>

Net Post-employment Benefit Obligation (Asset). The table below shows Catahoula Parish Sheriff's Office's Net Other Post-employment Benefit (OPEB) Obligation (Asset) for fiscal year ending June 30, 2010:

	Medical/Dental	Life
Beginning Net OPEB Obligation (Asset) 7/1/2009	\$0	\$0
Annual required contribution	+325,263	+46,009
Interest on Net OPEB Obligation (Asset)	-0	-0
ARC Adjustment	+0	+0
OPEB Cost	325,263	46,009
Contribution	0	0
Current year retiree premium	-52,771	-4,149
Change in Net OPEB Obligation	+272,492	+41,860
Ending Net OPEB Obligation (Asset) 6/30/2010	<u>\$272,492</u>	<u>\$41,860</u>

The following table shows Catahoula Parish Sheriff's Office's annual post employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (PEB) liability (asset):

Post Employment Benefit	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation (Asset)
Medical/Dental	June 30, 2010	\$325,263	16.22%	\$272,492
Life	June 30, 2010	\$46,009	9.02%	\$41,860

Funded Status and Funding Progress. In the fiscal year ending June 30, 2010, Catahoula Parish Sheriff's Office made no contributions to its post employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of July 1, 2009, the first and most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$2,262,503 (medical/dental) and \$343,682 (life), which is defined as that portion, as determined by a particular actuarial cost method (Catahoula Parish Sheriff's Office uses the Projected Unit Credit Cost Method), of the actuarial present value of post employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded in fiscal year 2009/2010, the entire actuarial accrued liability of \$2,262,503 (medical/dental) and \$343,682 (life) was unfunded.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

	<u>Medical/Dental</u>	<u>Life</u>
Actuarial Accrued Liability (AAL)	\$ 2,262,503	\$ 343,682
Actuarial Value of Plan Assets	0	0
Unfunded Act. Accrued Liability (UAAL)	<u>2,262,503</u>	<u>343,682</u>
Funded Ratio (Act. Val. Assets/AAL)	0%	0%
Covered Payroll (active plan members)	\$ 3,164,172	\$ 3,164,172
UAAL as a percentage of covered payroll	71.5%	10.9%

Actuarial Methods and Assumptions. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by Catahoula Parish Sheriff's Office and its employee plan members) at the time of the valuation and on the pattern of sharing costs between Catahoula Parish Sheriff's Office and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between Catahoula Parish Sheriff's Office and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Actuarial Cost Method. The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

Actuarial Value of Plan Assets. Since this is the first actuarial valuation, there are not any assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45 will be used.

Turnover Rate. An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 7%. In addition, we have assumed an additional 60% turnover for "Corrections" employees with less than two years of service. The rates for each age are below:

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

<u>Age</u>	<u>Percent Turnover</u>
18 - 25	15.0%
26 - 40	9.0%
41 - 54	6.0%
55+	4.0%

Post employment Benefit Plan Eligibility Requirements. Historically, employees have entered D.R.O.P. after age 55 and 20 years of service, or age 65 and 15 years of service. We have therefore assumed that employees retire three years after that historical retirement age as just described. The three years is to accommodate the D.R.O.P. period. Medical benefits are provided to employees upon actual retirement. Entitlement to benefits continue through Medicare to death.

Investment Return Assumption (Discount Rate). GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Since the ARC is not currently being funded and not expected to be funded in the near future, we have performed this valuation using a 4% annual investment return assumption.

Health Care Cost Trend Rate. The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2004 by the Health Care Financing Administration (www.cms.hhs.gov). "State and Local" rates for 2008 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

Mortality Rate. The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used. This is a published mortality table which was designed to be used in determining the value of accrued benefits in defined benefit pension plans. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance.

Method of Determining Value of Benefits. The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The employer pays 100% of the cost of the medical benefits for the retiree only (not dependents). See the section below for details on Life Insurance benefits. The medical rates provided are "blended" rates for active and retired before Medicare eligibility. We have therefore estimated the "unblended" rates as required by GASB 45 for valuation purposes to be 130% of the blended rates prior to Medicare eligibility.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

(8) ACCOUNTS, SALARIES, AND OTHER PAYABLES

The payables of \$537,129 at June 30, 2010 are as follows:

	<u>General Fund</u>		<u>Prison Fund</u>		<u>Total</u>
Salaries	\$ 31,869	\$	-0-	\$	31,869
Withholdings	3,889		-0-		3,889
Accounts	12,285		489,086		501,371
Total	\$ 48,043	\$	489,086	\$	537,129

(9) SHORT-TERM DEBT

GASB Statement No. 38 requires details about short-term debt activity during the year, even if no short-term debt is outstanding at year-end. Short-term debt results from borrowings characterized by anticipation notes, use of lines of credit, and similar loans.

- a. A schedule of changes in short-term debt, disclosing beginning and end-of-year balances, increases, and decreases is as follows:

<u>Beginning Debt</u>		<u>Increases</u>		<u>Decreases</u>		<u>Ending Debt</u>
\$ -0-	\$	425,055	\$	(425,055)	\$	-0-

- b. The purpose for which the short-term debt being issued was for operating purposes.

(10) CHANGES IN AGENCY FUND BALANCES

A summary of changes in agency fund balances due to taxing bodies and others follows:

	<u>Balance 7-1-09</u>		<u>Additions</u>		<u>Reductions</u>		<u>Balance 6-30-10</u>
Civil Fund	\$ 16,918	\$	226,550	\$	(171,191)	\$	72,277
Tax Collector Fund	137,913		3,500,332		(3,503,601)		134,644
Bond Fund	66,078		220,589		(175,303)		111,364
Total	\$ 220,909	\$	3,947,471	\$	(3,850,095)	\$	318,285

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
(CONTINUED)**

(11) TRANSFERS

	<u>Salary</u>	<u>Correctional Center</u>	<u>Total</u>
Transfer In	\$ 31,812	\$ -0-	\$ 31,812
Transfer Out	-0-	(31,812)	(31,812)
Total	\$ 31,812	\$ (31,812)	\$ -0-

Transfers were made to help pay for expenses.

Required Supplemental Information

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA
Governmental Funds
Schedule of Revenues, Expenditures, & Changes in Fund Balance
Budget & Actual
For the Year Ended June 30, 2010**

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCES FAVORABLE (UNFAVORABLE)
	Original	Final		
Revenues	\$ 6,236,136	\$ 7,237,269	\$ 7,020,674	\$ (216,595)
Expenditures	\$ 6,225,984	7,171,343	7,344,232	\$ (172,889)
Excess of Revenues Over (Under) Expenditures			(323,558)	
Other Financing Sources (Uses)				
Loans			425,055	
Total Other Financing Sources (Uses)			425,055	
Net Change in Fund Balance			\$ 101,497	
Fund Balance at Beginning of Year			609,735	
Fund Balance at End of Year			\$ 711,232	

The accompanying notes are an integral part of this statement.

**Other Supplemental Information
& Reports**

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable James G Kelly, Sheriff
Catahoula Parish Sheriff
Harrisonburg, Louisiana

We have audited the basic financial statements of the governmental activities and the aggregate remaining fund information of the Catahoula Parish Sheriff, as of and for the year ended June 30, 2010, which collectively comprise the Catahoula Parish Sheriff's basic financial statements and have issued our report thereon dated December 9, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Catahoula Parish Sheriff's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Catahoula Parish Sheriff's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Catahoula Parish Sheriff's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance

As part of obtaining reasonable assurance about whether the Catahoula Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and the Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

John R. Vercher PC

December 9, 2010

Jena, Louisiana

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST
FOR THE YEAR ENDED JUNE 30, 2010**

We have audited the basic financial statements of the Catahoula Parish Sheriff as of and for the year ended June 30, 2010 and have issued our report thereon dated December 9, 2010. We conducted our audit in accordance with generally accepted auditing standards in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of June 30, 2010 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses ☐ Yes ☒ No Other Conditions ☐ Yes ☒ No

Compliance

Compliance Material to Financial Statements ☐ Yes ☒ No

b. Federal Awards (Not-Applicable)

Internal Control

Material Weaknesses ☐ Yes ☐ No Other Conditions ☐ Yes ☐ No

Type of Opinion On Compliance Unqualified ☐ Qualified ☐
For Major Programs Disclaimer ☐ Adverse ☐

Are the finding required to be reported in accordance with Circular A-133, Section .510(a)?

☐ Yes ☐ No

c. Identification Of Major Programs:

CFDA Number (s)

Name Of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B Programs: \$ _____

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133? ☐ Yes ☐ No

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COST-CONTINUED
FOR THE YEAR ENDED JUNE 30, 2010**

Section II Financial Statement Findings Required To Be Reported In Accordance With GAGAS

No items to report.

Section III Internal Control

No items to report.

Section IV Federal Awards Findings and Questioned Costs

Not applicable.

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MANAGEMENT LETTER COMMENTS

During the course of our audit, we observed conditions and circumstances that may be improved. Below are findings noted for improvement, our recommendation for improvement and the Sheriff's Office's plan for corrective action.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

There are no current year management letter comments.

**CATAHOULA PARISH SHERIFF
HARRISONBURG, LOUISIANA**

MANAGEMENT'S SUMMARY OF PRIOR YEAR FINDINGS

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Catahoula Parish Sheriff, Harrisonburg, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended June 30, 2009.

2009-C-1 Budget Variances (Resolved)

Finding: The Sheriff's Department under budgeted its governmental fund expenditures for the year ended June 30, 2009 by more than 5%. The Budget Act requires that governments amend their budgets when revenues fail to meet budgeted revenues or expenditures exceed the budget by more than 5%.

Sheriff's Corrective Action: The Sheriff's Department amended their budget for the year to meet the Budget Act requirement.